



City of Tigard

Tigard City Council Meeting Agenda January 21, 2014

1. WORKSHOP MEETING

- A. At 6:35 pm Council President Henderson called the City Council to order.
- B. Deputy City Recorder Krager called the roll.

	Present	Absent
Mayor Cook		✓
Councilor Buehner	✓	
Council President Henderson	✓	
Councilor Snider	✓	
Councilor Woodard	✓	

- C. Council President Henderson asked everyone to join him in the Pledge of Allegiance.
- D. Council President Henderson asked if there were any Communications & Liaison Reports.
Councilor Buehner said she would give a report at the end of the meeting.
- E. Council President Henderson asked Council and Staff for any Non-Agenda Items and
City Manager Wine said she had the 2015 council budget to bring forward.

2. SECOND QUARTER MEETING WITH THE BUDGET COMMITTEE

Finance and Information Services Director LaFrance asked the Budget Committee members to introduce themselves. Present were Budget Committee Members Don Fisher, Tim Esau, Clifford Rone, Julie Plotz and Melody Graeber. Finance staff present were Confidential Assistant Lutz and Assistant Finance Director Smith-Wagar.

Finance and IS Director LaFrance identified topics for discussion, including the Capital Improvement Program (CIP) prioritization process, Second-quarter Financial Report and a brief budget development process outline for fiscal year 2015.

CIP Prioritization Process: Finance and IS Director LaFrance said the council previously requested a discussion on the process used to rank CIP project priorities. He asked Tigard Transportation Advisory Commission (TTAC) member Steven Bass and City Center Advisory Commission (CCAC) Vice Chair Carine Arendes to join them at the table. Three city boards and commissions prioritized projects that fell within their area of expertise. The TTAC had

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transportation projects. The Parks and Recreation Advisory Board (PRAB) looked at parks projects, and the CCAC covered downtown projects.

Council was referred to the FY 2015-19 Capital Improvement Program document in their meeting packets. Finance and IS Director LaFrance said the projects are arranged by systems with rankings listed by group. Equal ranking weight was given to each group. He noted that projects already underway did not go through the prioritization process. Also, some projects fell from consideration in order to make the best use of staff and citizen volunteer time. He said council had a chance to offer opinions on which of these projects would not be ranked at this time.

Finance and IS Director LaFrance said scores and comments are listed and noted that each committee went through the same process. He invited questions from council about reasons certain projects were given the numbers they received and asked if they were comfortable with this process. He said there would be opportunities during the budget process to change priorities.

Councilor Buehner commented about projects that did not make the list and said one quid pro quo requirement from ODOT for putting in the traffic light at Wall Street by the library several years ago was adding a right-turn lane onto McDonald from Hall. She suggested looking at widening McDonald in segments (as was done when lanes were added) to save money, first addressing the busiest segment, west of 100th Street. Council President Henderson asked if unranked projects such as these two were examples of what could be brought back into consideration during the budget process. Finance and IS Director LaFrance replied that staff did a call for projects, asked council for changes and brought those into the process at that time. He said next fiscal year would be the best time to introduce new projects, but if the Budget Committee as a whole wants to interject a project during the budget process, they could.

Budget Committee Member Rhone asked what process staff uses to track projects that have been around for years. He asked, “How come we now see part of it on this list but it hadn’t been acted on in the prior 6-7 years?” TTAC Member Bass replied that all projects recommended for prioritization remain on the list but what rises to the top changes. He said projects that fall off the list are still tracked by staff. He said TTAC looked at the following factors when considering project priorities: Who it affects, safety concerns, and interconnectivity. He said they asked, “Are we making something better for Tigard residents or making it easier for people to bypass our community and not spend money here?”

Budget Committee Member Fisher commented that staff ratings are lower than committee ratings and asked to hear the groups speak briefly on where they differ.

TTAC Chair Bass said each project was determined to be a large or a small project and was prioritized on its own. He said their committee is a citizen’s committee, no one has engineering degrees. They visited the sites and took safety, walkability, biking and transportation into consideration. They looked at traffic flows and how they impacts citizens. He noted that the TTAC received accident data from staff as well as traffic flow information. He said looking at what is involved with working with the railroad was eye-opening. They tried to put the costs aside

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and look at what was most important to them, letting the Finance Department figure out the money. He said this process was not influenced by thinking what projects are most apt to receive funding.

In response to a question from Council President Henderson on how it was decided what is a large and what is a small project, Mr. Bass replied that this was determined by staff.

CCAC Commissioner Arendes said their committee prioritized opportunities to work with partners, such as working with Clean Water Services on creek re-meandering. She said, “Existing momentum in an area helped us decide to keep the ball moving.” She said they wanted to see projects move forward that increased connectivity and unlike other groups, were geographically focused on the downtown area. She said they also considered increased walkability, safety, and whether a project fit into the urban renewal area. She said they did not have much financial information throughout the process and did not focus on the numbers as it was not their realm of expertise.

Finance and IS Director LaFrance referred to the matrix of criteria and commented that for the most part, project priorities landed similarly between the committee and staff. He noted that a transportation project on Tiedeman /Greenburg/North Dakota ranked second highest for TTAC but came in lower on the staff side. He said that related to other projects being pushed higher due to safety-related data. He said there are not many accidents at the Tiedeman and Greenburg intersection.

Councilor Buehner responded to Budget Committee Member Rone’s previous question on project priority changes. She noted that while the ODOT requirement for a right-turn lane at Hall and McDonald was due within three years of the traffic light installation, the recession arrived at about the same time and the urban renewal district was formed. Priorities switched from streets not within the urban renewal district to funding Burnham Street reconstruction, which turned out to be more costly than engineering estimates. Councilor Snider said he was on the Budget Committee at the time and remembered robust discussions on this.

Budget Committee Member Fisher asked if some projects could be combined and funded as a group, such as projects to help the Greenburg/Tiedeman/North Dakota intersection because each of these projects mentions the bridge. Finance and IS Director LaFrance said there are situations where there is more than one way to tackle a problem area. He said as bridges reach a certain level federal funding is available and if a bridge is close to that level there may be merit in waiting. He said the Greenburg Tiedeman and North Dakota intersection is complex. TTAC Member Bass mentioned additional challenges such as the wildlife area and working with the railroads. He said large warehouse property ownership adds to the complexity.

Budget Committee Member Esau asked about projects that were not completely scoped, such as sidewalks on Walnut Street near Tiedeman to Pacific Highway. He noted an equal number of children walk on each side of Walnut. Finance and IS Director LaFrance said this project is one that is currently in the works and so it would not appear the list.

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Finance and IS Director LaFrance asked for direction and approval of the process from the Budget Committee because staff is developing a budget to fund these projects. Council President Henderson, and Councilors Snider and Woodard said they liked the process.

Councilor Buehner said in the early-mid 2000s the Walnut Street sidewalk project was the top project recommendation from the Planning Commission. When the urban renewal district was formed the priorities changed. She mentioned that 121st Avenue from Walnut Street to Tippet Street is a highly ranked project but did not see 121st north from Walnut listed. She asked why it had fallen off the list. TTAC Member Bass said he did not think that was discussed and will bring it to the attention of Senior Transportation Planner Gray and Streets and Transportation Senior Project Engineer McCarthy.

Council President Henderson asked if there was a drop-dead date for input as some members want to see the prioritized list with dollars assigned. Mr. LaFrance said the budget proposal will be available in April and the Budget Committee will see the priorities and staff's best estimates at what the requirements are to fund them. He noted there seemed to be a high comfort level and staff would move forward with these priorities.

Budget Committee Member Fisher commented that this process is a great improvement over that used previously. Budget Committee Member Rone said he was in agreement.

FY 2014 Second Quarter Financial Report:

Finance and IS Director LaFrance distributed a memo dated January 21, 2014, which has been added to the packet for this meeting. He discussed the basics of reading this report and said he and staff examine them for unusual instances to report to the Budget Committee.

Councilor Buehner remarked that none of the city's revenue comes in 12 equal installments. She suggested that adding an asterisk note about this would be helpful to new Budget Committee members.

Finance and IS Director LaFrance said the good news is that the property taxes received are higher than anticipated. Development activity is exceeding expectations and the Building and SDC funds are strong, with some processing what is normally a year's worth of activity in the first six months. He noted the lag in receiving gas tax revenue and said state gas tax receipts will be lower than anticipated this year. He said this was due more to a projection model overestimation than lower funds coming in. He noted that the Stormwater Fund revenue forecasts are low and this will be corrected for the FY 2015 budget.

Finance and IS Director LaFrance said most department operating budgets were over 25 percent spent in the first quarter due to the unusual occurrence of a seventh payroll period in the first three months. He said the city attempts to spend only 95 percent of their budget and is in line to maintain this constraint. In response to a question from Councilor Snider he said the city tries to have a 22 percent beginning fund balance but spent 23 percent last quarter, which may require a minor adjustment in forecast assumptions.

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Transfers were discussed and Finance and IS Director LaFrance said when funds are collected in one area and spent in another, it is shown as a transfer so the movement can be tracked. Budget Committee Member Graeber asked and Mr. LaFrance confirmed that transfers both in and out are tracked. Council President Henderson suggested giving the new Budget Committee members last year's budget so they can read the transfer descriptions. Mr. LaFrance said this will be covered in an April budget training geared to new Budget Committee members but open to anyone.

In response to a question from Budget Committee Member Fisher about the Street Maintenance Fund, Finance and IT Director LaFrance said this is mentioned in Item No. 6 in the Findings, and is a project where the bulk of the work is done in the summer, during the first two months of the fiscal year.

Budget Committee Member Rone asked about movement of parks funds. Mr. LaFrance clarified that the money will not be transferred from the Parks Bond and Parks SDC Funds to the Capital Improvement Fund until needed so Transfers Out from the bond fund are at a low level.

Five Year Forecast and Fiscal Year 2015 Budget Guidelines:

Finance and IS Director LaFrance gave an outline of the General Fund forecast. He said last year's forecast showed a fairly sustainable budget with a slight gradual decrease to the Fund Balance due to a general problem that the Budget Committee has been talking about for years: the city's growth in expenditures outstrips its growth in revenues. The city has been dealing with this in an incremental basis. He said the initial forecast is similar but slightly improved. The beginning Fund Balance is higher than budgeted. A second item of importance is that the city settled with its SEIU union and the major piece to that labor settlement was that the medical and dental costs are capped at 5 percent so staff was able to take that component of operations and reduce the city services growth rate so it aligns fairly closely to expenditures. He said there are also limitations. The number of staff will stay the same. No additional supplies and services will be added. As Tigard grows we do not yet have the resources to match that growth, creating a slow erosion in service level. Budget instructions given to city departments this year were for "hold the line" budgets. Department budgets were due last week and staff is looking to see how the proposed budgets fit with the strategic plan and whether there are ideas for expenditures that would increase efficiency.

A discussion was held on the process the Budget Committee wants to use to elect a chair. Finance and IS Director LaFrance said the chair must be a citizen Budget Committee member. Council President Henderson asked the citizen members to consider whether they would be interested in being the chair and report back to Finance and IS Director LaFrance. Election of a chair will be on the agenda of the first Budget Committee meeting in April.

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At 7:52 pm council took a short break. At 8:01 pm Council President Henderson called the meeting back to order.

3. RIVER TERRACE FINANCE PROGRESS UPDATE AND DISCUSSION

Finance and IS Director LaFrance introduced the update on the River Terrace Community Plan Financial Strategies progress. He said the River Terrace Community Plan has several sections relating to capital improvements necessary for development to occur and the financial plan overlays all of it. The financing plan will determine how the city, existing residents, future residents and developers can work together to afford the capital necessary for development to happen in an expedient but responsible manner. He said staff will update council on progress to date, issues identified, and next steps. He said he hoped for direction from council, either agreement on direction or a course correction after tonight's discussion.

Introductions were made and everyone's role in the River Terrace Financing plan described. Associate Planner Grass works on public involvement and the project website. FCS Consultant Chase is assisting the team in developing the River Terrace funding strategy and implementation plan. Finance and IS Director LaFrance is helping direct the financial plan work. Assistant Finance Director Smith-Wagar is his back-up. Senior Planner Shanks is the River Terrace Project Manager.

Finance and IS Director LaFrance said council will see a draft form of the financial plan in late spring or early summer. He referred everyone to a poster of Attachment A from the Agenda Item Summary, an outline of the decision-making process for development of a financing plan for River Terrace. He said "We are in Step 3 - understanding funding options in place, those not in place but used in other communities, and figuring out what infrastructure is needed." Senior Planner Shanks noted that the diagram was developed to outline the steps for the public at a citizen open house and is a framework to help staff hold conversations with stakeholders on the process and where opportunities for input exist.

Finance and IS Director LaFrance said the team is taking a two-pronged approach because of awareness that there are some development projects ready to get going, yet other areas are not as ripe for development. In terms of approach, he said there is a difference between expediting key initial projects but at the same time taking a holistic approach for the entire project. He requested input from council on whether or not they agree with this approach.

Senior Planner Shanks had several charts describing what the team is working on. Project lists are being developed for sewer, water, storm water, parks, transportation, etc. and the team is looking at how to fund the many projects. A key part of Step 3 is determining what the implications are for choosing different funding options. She showed a graph of the project timeline. A copy of this has been added to the packet for this meeting.

The West Bull Mt. Concept Plan land use framework was adopted and refined to make it specific to Tigard. The natural resources have been mapped. They are working on infrastructure master plans for parks, water, sanitary sewer and storm water and this will lead to the list of projects.

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Transportation consultant DKS is crunching numbers and running models, and the transportation team is looking at this closely for proposed transportation refinements to the West Bull Mt. Concept Plan street proposal. The infrastructure financing plan overlays all of this. She said another set of reports will append existing master plans and update comprehensive plans and maps. These items will start coming before council in the summer.

She said in addition to holding conversations with various community groups and stakeholder committees, staff developed a River Terrace website and has been using it more substantially than on other projects. She distributed cards with website information and asked that council share them with others. The website is a blog site so there can be two-way communication.

Councilor Snider asked what questions have arisen. Senior Planner Shanks responded that storm water management has been a lively conversation. She said there has also been a lot of communication on how the River Terrace transportation system will work with existing systems.

Councilor Woodard commented that many at community meetings expressed surprise about the time necessary to put plans into action once they are approved. He gave an example of the pump stations that Clean Water Services will be providing. They require time to design, go through the permitting process and construct them. This will take two years to put into place once approved. He asked if the commercial section had been realigned. Senior Planner Shanks said it had not changed officially, but they are going to get it done now.

Council President Henderson asked if the program is stepped because of the large amount of money required. Senior Planner Shanks said FCS consultants will assist the city in making decisions about what needs to be done first, by looking at the first 5 years and then the long-term view. Council President Henderson said each funding process will have merits and challenges.

Associate Planner Grass said the team is using University of Washington software called Considerit. Unlike a simple blog, on which people leave comments, it is based on a pro and con list and asks users to choose the statement they support. They are prompted to describe why they feel the way they do. She said this enables staff to get more input and feedback in between the monthly meetings. She said they are moving into what is expected to be a high public involvement time, especially around the issue of transportation.

Senior Planner Shanks said it is helpful to understand the “why” behind what people say they want or not want to do and this leads to better understanding. She said there is a finance question on the website now which asks the community if River Terrace infrastructure should be funded with new income sources or should the city stretch its existing records. She said staff hopes to be able to provide council with community opinions to assist with decision making.

Councilor Buehner asked how this software will reach the 20-25 percent of the population that is not comfortable using computers. Associate Planner Grass said the Considerit software is in addition to outreach staff is already doing, such as TAC, SWG and community meetings. She said staff makes themselves available and mentioned meeting recently with a group of Bull Mountain neighbors in a private home. Councilor Buehner expressed concerns about residents of the Summerfield neighborhood not using computers and suggested that the best way to reach them would be a presentation held in their own community center.

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FCS Consultant Chase said large master plan communities can take 20 years to build out and Tigard has a great framework plan. He said it has taken 10 years for areas in Washington or Clackamas County, such as Happy Valley and North Bethany, just to get to a funding strategy and another 5 years to put the funding techniques into place and adopt them. Then plans are designed and projects engineered prior to construction. He commented that planning seems to take forever but it can simmer for a long time and then suddenly “pop” and grow fast. He said the next 6 months is the starting point for each of the infrastructure systems in River Terrace. He said they will also consider operating and maintenance requirements to make sure that when this is built out, it is not a drain on the city’s general fund and each facility type can stand on its own. Additional property tax revenues can be used for services and other city requirements. He said it is important to look at build-out with large, master planned communities, but also crucial to look at the first 5 years and what can be started with existing resources. The first 5 years could mean 100 houses, the first street or the first park. The project team will need to figure out what can be done with existing funding and if there is a gap, what additional sources could be used (SDCs, urban renewal districts, LIDs).

Council President Henderson asked about the funding considerations for River Terrace ala North Bethany funding memo. Finance and IS Director LaFrance said there are lessons to be learned from North Bethany but also some aspects that happened there that probably will not happen in Tigard. He said we want to take strategies that were successful in North Bethany and apply them here.

Councilor Snider referred to the transportation funding methodology used in North Bethany and asked if the team was applying the same methodology. Consultant Chase said in North Bethany they combined 6 or 7 different funding sources to come up with \$20,785 of impact per dwelling unit. This would generate around \$87 million in road funding. Taking the same split and coming up with \$20,875 for River Terrace’s 2,000 dwelling units would support \$48 million in roads. Senior Planner Shanks said to Council President Henderson that this is not an estimate of what it would cost to do all the road improvements in River Terrace, but the \$20,785 is the ceiling to what development will tolerate as a cost per dwelling unit. She said it was giving a starting place for discussions. The cost of putting every transportation improvement that is needed or desired in this area would be much more. She said this is not saying what the cost will be. Consultant Chase noted differences between North Bethany and River Terrace, including more topography and the need for bridges in River Terrace.

Council President Henderson said he needs to understand what the number is, how much the city needs to raise and how soon. He said he realizes it cannot be nailed down completely at this time, but said he would need to understand what we are doing before approaching the citizens.

Consultant Chase noted that it took years to get to this point in North Bethany. He mentioned funding options such as county-wide and city system development charges (SDCs). He said Tigard could explore keeping the SDCs in River Terrace or making them city-wide.

Assistant Finance Director Smith-Wagar said the legislature allows for SDCs to be collected as a way to fund school expansion in growing areas. The city would collect the River Terrace SDCs for school infrastructure and remit them back to the district. Councilor Woodard asked if this would hurt an urban renewal district. Ms. Smith-Wagar responded that the property taxes inside

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an urban renewal district would be affected because they are frozen, but the SDCs are a set amount based on the number of dwellings.

Councilor Buehner asked the consultant to meet with her offline to discuss some technical issues.

Finance and IS Director LaFrance said he has not heard any dissent from the council on the process the team is using to put together a financial strategies plan.

Councilor Buehner said she had many questions but was willing to move forward. Finance and IS Director LaFrance said that depending on the strategies, there will be “bridging” resources required and several of these would require council action.

Councilor Snider said the plan needs to be vetted with the Budget Committee once choices are identified. He said he did not expect to turn them into land use experts but they can provide input into financial resource choices and burdens. He commented that this may be the only way to get input from those who aren’t directly affected. Council President Henderson agreed and said, “It will affect our budget more than we imagine; the Budget Committee needs to be part of this.”

Councilor Snider asked if Tigard was holding conversations with Beaverton about financial strategies. Finance and Information Services Director LaFrance said, “We are part of their TAC and they are part of ours. We are keeping each other informed.”

Community Development Director Asher said from a policy making perspective, he is interested in hearing how another city council values urban expansion. He said this type of conversation may be fruitful, although decisions on what each city will charge their constituents for improvements are local. Councilor Snider said if it is not well-coordinated, there could be development on one side of Scholls Ferry and not the other. Community Development Director Asher said his charge is to remember that this is competitive and that we want to be the market of first choice.

4. COUNCIL LIAISON REPORTS Councilor Buehner reported on an MPAC presentation from State Employment Department and Metro staff and recommended it be given to the council at a meeting in the summer. She said there is an interesting correlation between college degrees and wages. She said Tigard has basically bounced back to pre-recession employment numbers. She noted that Metro staff presented population projections showing their belief that Multnomah County will increase in growth and Washington County will slow, and said she would like to further investigate their methodology that led to this conclusion.
5. NON AGENDA ITEMS: City Manager Wine said a draft 2015 council budget was distributed. Assistant City Manager Newton said she will check on why VEBA and life insurance line items appear because she it was her understanding that council does not receive these benefits. She commented that legal fee actuals may seem low at present but the city is on track to spend them. She asked that councilors let her know of any technology needs.

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Councilor Buehner raised the issue of declining training and travel budgets. She noted that airfares have risen considerably. Councilor Snider offered to keep \$500 - \$1,000 of his training and travel budget and allocate the remainder to the other councilors. City Manager Wine said the current level of allocations allows each councilor to travel to the National League of Cities Conference and also a local conference. Councilor Woodard mentioned he would like to attend the National Park and Recreation Conference and would save his allowance for it.

City Manager Wine asked council to let her know of any other comments or requests. Assistant City Manager Newton will discuss the budget with Mayor Cook when he returns.

6. EXECUTIVE SESSION - There was none.

7. ADJOURNMENT

At 9:24 pm Councilor Buehner made a motion for adjournment. The motion was seconded by Councilor Snider and all voted in favor.

	Yes	No
Mayor Cook		absent
Councilor Buehner	✓	
Council President Henderson	✓	
Councilor Snider	✓	
Councilor Woodard	✓	

/s/Carol A. Krager
Carol A. Krager, Deputy City Recorder

Attest:

/s/John L. Cook, Mayor
John L. Cook, Mayor

March 25, 2014
Date

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